

Critical Evaluation of Overall Business Operation of Paxar Bangladesh Ltd **(A subsidiary of Avery Dennison Corporation)**





Critical Evaluation of Overall Business Operation of
Paxar Bangladesh Ltd. (A subsidiary of Avery Dennison Corporation)

Submitted to:

Nusrat Hafiz

Lecturer

BRAC Business School

BRAC University

Submitted by:

Animash Mallick

MBA

ID: 12264034

Course ID: BUS-699

Submission Date:

27-August-2015

LETTER OF TRANSMITTAL

Date: 22 August, 2015

To

Nusrat Hafiz

Lecturer

BRAC Business School

Subject: Submission of Internship Report

Dear Madam,

This is my great pleasure to submit the Internship report of course BUS-699. The title of the report is “Critical Evaluation of Overall Business Operation of Paxar Bangladesh Ltd. (A subsidiary of Avery Dennison Corporation)”.

I have put my best effort to make this report a successful one. It has been joyful and enlightening experience for me to prepare this report. However this has been obviously a great source of learning for me as well.

I will be happy to provide any further explanation regarding this report if you have any query on this report or any other relevant matters.

Sincerely Yours,

Animash Mallick

ACKNOWLEDGEMENT

At the beginning I would like to convey my sincere appreciation to the almighty God for giving me the strength and the ability to finish the task within the planned time.

First of all I would like to express my sincere and immense gratitude to internship supervisor **Nusrat Hafiz**, Lecturer, BRAC Business School, BRAC University. I really appreciate her consent, guidance and giving me an opportunity to prepare this report.

Finally, I want to give heartiest thanks to my well wishers, peers, and friends as well.

EXECUTIVE SUMMARY

This study focuses on the overall business operations along with marketing process of Avery Dennison Bangladesh. Since the company manufactures different types of labels for garment products, so the garments manufacturers or the customers are the most important determinants for the company. Hence, the responsibilities of Account Service people start with taking an order and end with the dispatch of the goods to the customer. During this time an account service, account development, supply chain and sales department needs to communicate with each and every department of the company to execute the order. The report will cover how the functional departments of the company working with each other. This study was conducted based on personal observation, experience, and perception.

Table of Content

Background			Page
1.	1.1	History of Avery Dennison	1
	1.2	Acquisitions expand product breadth and global reach	1
	1.3	Avery Dennison's Acquisition of Paxar Limited	2
	1.4	Avery Dennison around the world	2
2.	2.1	Avery Dennison Bangladesh	3
	2.2	What Avery Dennison makes in Bangladesh Unit	3- 4
3.		Value proposition by Avery Dennison	4
4.		Various business Segments globally	4- 5
5.		Vision of Avery Dennison	5
6.		Code of business ethics	5
7.		RBIS product line Bangladesh site	6
8.		Activities Undertaken	7
9.	9.1	Work related activities	8
	9.2	Functions and Responsibilities of marketing department	8
	9.3	Marketing department	9
	9.4	Account service department	10- 14
	9.5	Account Development Department	15- 16
	9.6	Retailers & Brand Owners (RBO)	16- 18
	9.7	Factory Sales	18- 19
	9.8	Organization wise activities	20- 36
10.		Challenges	37
11.		Lessons	38- 39
12.		Concluding Statement	40
13.		Suggestion for improvement	41- 42

Background

History of Avery Dennison

Avery Dennison is a global leader in labeling and packaging materials and solutions. The company's applications and technologies are an integral part of products used in every major market and industry. With operations in more than 50 countries Avery Dennison serves customers with insights and innovations that help make brands more inspiring and the world more intelligent. Avery Dennison Corporation (NYSE: AVY) is a Fortune 500® company. However, Avery Dennison manufactures and distributes display graphics, labeling and packaging materials, retail graphic embellishments and RFID tags that companies around the world use to engage customers and efficiently manage their inventories. However, The Company was originally founded in Los Angeles, California, in 1935 as **Kum Kleen Products**, a partnership of Mr. and Mrs. Ray Stanton Avery. The name was changed to **Avery Adhesives** in 1937. In 1946, the company was incorporated as **Avery Adhesive Label Corp.**, and the name was subsequently changed to **Avery Adhesive Products, Inc.** in 1958 and to **Avery Products Corporation** in 1964. The name was changed again to **Avery International Corporation** in 1976, and it became **Avery Dennison** after the company merged with the Dennison Manufacturing Company in 1990.

Acquisitions expand product breadth and global reach

In 1987, an important strategic decision was made to alter the company's business course. The carded visual packaging division was sold and resources were reallocated to growing the company's tag and label business. At this time also, the company's name was changed to Avery Dennison Corporation. Following this important milestone, Avery Dennison opened its first European operations in England, Germany and Italy and an era of rapid growth ensued worldwide as the company sought to position itself as the vendor of choice for apparel companies and retailers. Over the next 17 years, businesses were acquired and companies established in Asia, Europe, the Middle East and Africa, Latin America and North America. Avery Dennison's product and service offering also expanded to include woven labels, bar code products, graphic tags, soft apparel labeling, including transfers, and more. New electronic

printing systems were engineered such as the high-performance Monarch series of bar code printers and a ground breaking apparel labeling system called LOKPRINT. Just-in-time delivery options were enhanced; online services were introduced; and niche-retail labeling opportunities explored in areas as diverse as security labeling and food safety management.

Avery Dennison's Acquisition of Paxar Limited

On March 22, 2007, Avery Dennison announced a definitive agreement to acquire Avery Dennison for \$30.50 per share in a cash transaction valued at approximately \$1.34 billion.



Avery Dennison's acquisition of Paxar

With the acquisition of Paxar Limited, Avery Dennison's Retail Information Services (RIS) business is rose to about 24 percent of Avery Dennison's revenues - up from 12 percent before the combination. After acquiring Avery Dennison, Avery Dennison said it will provide additional information on the anticipated financial benefits of the transaction, including expected sources and timing of cost synergies, during its regularly scheduled quarterly earnings release on July 24, 2007.

Avery Dennison around the world

Avery Dennison sales and manufacturing sites can serve customers' needs wherever they are in the world. Major countries in which Avery Dennison is currently operating now are Brazil, Canada, Colombia, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Peru, USA, Belgium, Bulgaria, Denmark, France, Germany, Italy, Mauritius, Morocco, Netherlands, Norway, Poland, Portugal, Romania, South Africa, Spain, Sweden, Turkey, UAE, United Kingdom, Australia, Bangladesh, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Singapore, Sri Lanka, Taiwan, Thailand, and Vietnam.

Avery Dennison Bangladesh

Avery Dennison Bangladesh Ltd. is a 100% export oriented garments label manufacturing company. It is a fully owned subsidiary of US based Avery Dennison Corporation – a Fortune 500 company. It is approved by Bangladesh Export Processing Zone (BEPZ) and recognized as a class “A” type investor in DEPZ. The state-of-the-art Avery Dennison factory pictured above was opened for business in November 2002 but started operating from December 2002. The factory is set up in Dhaka Export Processing Zone, Extension Area. Altogether there are approximately 1000 employees currently working in Avery Dennison including the factory and the city sales office. Avery Dennison Bangladesh Ltd. is accountable for reporting to Avery Dennison Hong Kong or Avery Dennison Far East Ltd.



Avery Dennison Bangladesh (Factory Unit)

Bangladesh, being an emerging developing country in global economy, is the beneficiary of Avery Dennison Bangladesh Ltd., encroached with its up-growing demand of Avery Dennison’s different types of product identification and tracking systems for its local RMG market. Avery Dennison Bangladesh Ltd. offers a complete line up of apparel labels with special focus on Woven labels, printed labels and graphical tags, care labels, heat transfer labels, EAS & RFID labels.

What Avery Dennison makes in Bangladesh Unit

Apparel companies around the world face the ongoing challenge of distinguishing their brands and managing their inventories. Our solutions not only help leading apparel brands convey their brand’s image and value to consumers, they can also accelerate their global supply chain. From graphic embellishments and labels to sustainable packaging and RFID, our products can enhance

the appeal of apparel to consumers, improve inventory and stocking processes, provide product security and free-up retail staff to engage more with customers. Avery Dennison Bangladesh manufactures and distributes display graphics, labeling and packaging materials, retail graphic embellishments and RFID tags that companies around the world use to engage customers and efficiently manage their inventories.

Value proposition by Avery Dennison

Followings are the most widely practiced criteria in order to create significant value proposition by Avery Dennison-

➤ **Integrity-**

Avery Dennison acts honestly, ethically, and honorably.

➤ **Service-**

Avery Dennison satisfies its customers every time.

➤ **Teamwork-**

Avery Dennison builds relationships based on trust, respect, and caring.

➤ **Innovation-**

Avery Dennison fosters creativity and the development of new ideas, products, and processes.

➤ **Excellence-**

Avery Dennison strives to be the best in everything it does.

➤ **Community-**

Avery Dennison acts responsibly as members of the communities in which it operates

Various business Segments globally

Avery Dennison is one of the fortune 500 companies operating business around 50 different countries simultaneously. The organization has different business segments around the world considering the geographical and demographical advantages.

Basically, there are four major business segments run by Avery Dennison-

- **The Pressure-Sensitive Materials segment** manufactures and sells pressure-sensitive roll-label materials, films for graphic applications, reflective highway-safety products, performance polymers, and extruded films.
- **The Office and Consumer Products segment** manufactures and sells various office and consumer products, including labels, binders, dividers, sheet protectors, and writing instruments.
- **The Retail Branding and Information Solution (RBIS) segment** designs, manufactures, and sells various price-marking and brand-identification products, including tickets, graphic and barcode tags and labels, woven and printed labels, and related supplies and equipment.
- **Other Specialty Products segment** provides automotive and industrial products, **radio-frequency identification (RFID) tags** and inserts, specialty tape, security printing and performance films.

Avery Dennison Bangladesh operates and facilitates RBIS & RFID segments. Entire business operation and manufacturing set up highly focused on these segments and other segments are run and operate in other parts of the world.

Vision of Avery Dennison

Every organization has a vision to achieve and Avery Dennison is nothing different than others. The vision statement of the organization is *"To be recognized as the world's best coating and converting company by providing innovative decorating, information transfer and bonding solutions that enable our customers' success."*

Code of business ethics

Avery Dennison has developed globally acceptable code of business ethics and every valid employees of the organization must oblige to this code. Any violation in terms of values and ethics considered significant breaches and termination might be the final outcome.

RBIS product line Bangladesh site

There are seven different major product line offered by Avery Dennison-RBIS Bangladesh site. Each and every line is different than others. Based on various criteria product lines are defined.

LITHO

Price Tag

Hang Tag

Promotional Ticket

Sewing Ticket

Over rider

PFL

Care Label

Size Label

Age Label

Two Ups

Flexo

Hanger Loz

Promotional sticker

Price Label

New Label

Thermal

Box End Label

Barcode Sticker

Unique Price Label

Woven

Main Label

Size Label

Logo Label

Heat Transfer

Main Label

Size Label

Care Label

Logo Label

RFID

Security Tag

Activities Undertaken

When a single order received each and every department is directly or indirectly involved facilitating the order till final stage. Cross functional activities are highly encouraged in this case and from understanding the cross functional significance management has set a new tagline for the RBIS sector which is “One team one goal”. From January 2011 each and every operation is conducted following the one team one goal approach. However, there are several functional departments which significantly play an important role in value chain activities. Followings are the functional department of Avery Dennison Bangladesh-

1. Marketing Department

- 1.1.Account Service
- 1.2.Account Development
- 1.3.Order Processing
- 1.4.Factory Sales
- 1.5.Retail and Brand Owners (RBO)

2. Supply Chain Department

- 2.1. Export Team
- 2.2. Import Team
- 2.3. Demand Planning
- 2.4. Material Planning

3. Finance Department

- 3.1. Proforma Invoice Team
- 3.2. Credit Control Team
- 3.3. Collection Team

4. Accounting Department

- 4.1. Audit Team
- 4.2. Inventory Maintenance Team

5. Production Department

6. Store and Dispatch Department

However, all the departments have job description and cross functional activities are highly encouraged for optimum output. Ensuring highest customer satisfaction and to accelerate performance supervisors of all the departments monitor work related activities. Best performers are always rewarded.

Work related activities

I am currently working in marketing department in Account service division and from my own job experience as well as from my observation functional activities of this department are demonstrated in this chapter in details.

Functions and Responsibilities of marketing department

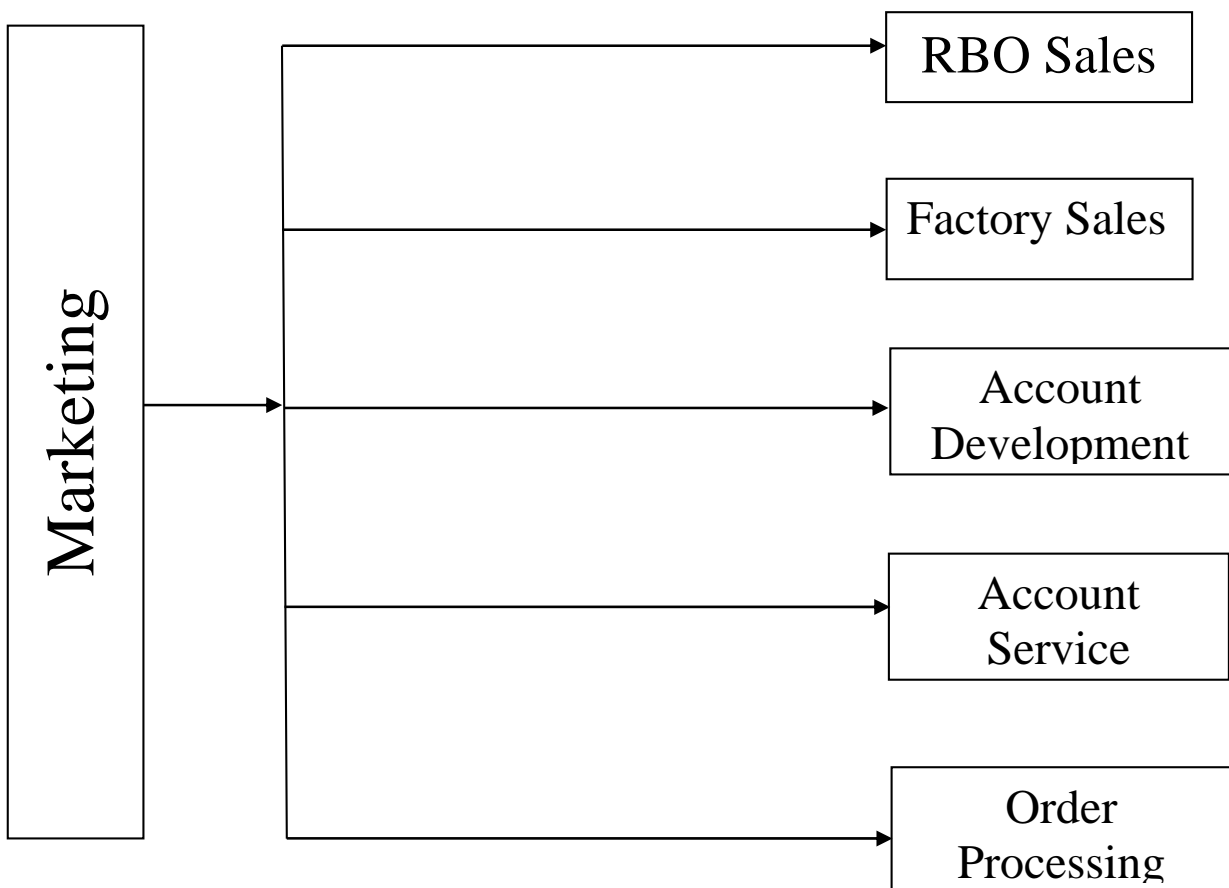
Marketing department is the most important and leading department of this organization. As earlier stated there are several different team under this department whose job description and responsibilities are as below-

1. Product Development.
2. Sampling.
3. Raw Material Forecast.
4. Costing.
5. Pricing.
6. System Set up.
7. Quality Standard.
8. Follow Up.

However, like other organization marketing team is the front end team who are directly involved with customer. Starting from taking an order and developing the product, pricing the product and finally selling the product is the main job responsibilities of this department. In addition to this each team under this department work as a team either within the department or outside the department when needed.

Marketing department

There are several different teams in marketing department whose functional activities are more likely to sell the product. Starting from taking an order by sales team, developed by development team and finally ensuring sales by account service team. Marketing department plays vital role in product development and coordination. Marketing executive in Avery Dennison Bangladesh Ltd. is known as Account Executive. They are responsible for find out the potential for a new label. The functions of the Marketing Department are basically product development and coordination and follow up, sampling, raw material ordering, costing, pricing etc. Every individual team has its own target which combined become the target of the department. The target is pre set either by monthly or quarterly to achieve the yearly target. However, different team under marketing department are demonstrated below-



Account service department

Account Service (AS) department, which plays essential and important role in Avery Dennison Bangladesh establish to progress of a product and the company's growth. Account service officer of Avery Dennison representing the whole organization to the customers through their services. They work as the linking department between the customers and Avery Dennison. The account service department in Avery Dennison Bangladesh Ltd. is divided in two areas:

1. Customer service
2. Order Entry.

1. Function and Responsibilities of AS: Below are the major functions and responsibilities assign to an account service department-

- Receive orders and Process through the order entry operators.
- Request Finance Officers to raise the PI E-mail.
- Send PI with the L/C terms and conditions of Avery Dennison Bangladesh Ltd to customers.
- Follow up the orders with KEA system.
- Handle customer's query and forward to the development team.
- Maintain and update the customer file.
- Record the complaints and inform the concerned person about it.
- Coordinate with Dispatch Department to delivery orders in time.

Moreover, the main tasks of the ASO for which they are responsible are discussed below:

(A) Order processing

Customer Services Officer can receive order from a customer through email, telephone, and fax or can be handed in person too. After receiving the order s/he has to fill up the Order Clarification Request Form with reference to the CMS sheet / LOF / OIMA / CD, UPC Details (size, code UPC number etc.) and transfer it to the Order Entry Operator. And the order entry operator would make a new factory sheet using KEA system. In recent years a standard procedures have been set and build up to receive any order in a prescribed booking form through Email. On the other hand vendor can place order online in company website

(B) Sending Proforma Invoice to the customer

After processing the order customer service officer has to request proforma invoice with reference to the factory sheet and asked the Finance Officer to raise the PI through e-mail. Then finance officer prepare it based on factory sheet and send it to customer service officer and CSO forward it to the customer.

(C) Follow up the orders in the production floor

Customers may ask for a layout to see the sample of their orders. Then after being asked, the Mac Designer submits the paper to the CSO. CSO asks the Order Entry Operator for putting a seal on it and send it to quality control for proofreading. Then the layout is transfer to the Customer Care people. The customer care people send that layout or sample of order to the customer by mail, or fax, DHL anyhow, for customer's approval. If customers approve the layout they will send the mail of approval and the signature of the customer must be attached to the factory sheet. Then the CSO forward the papers to the Order Entry Operator so that the order process flow can follow its normal path. Then they are responsible:

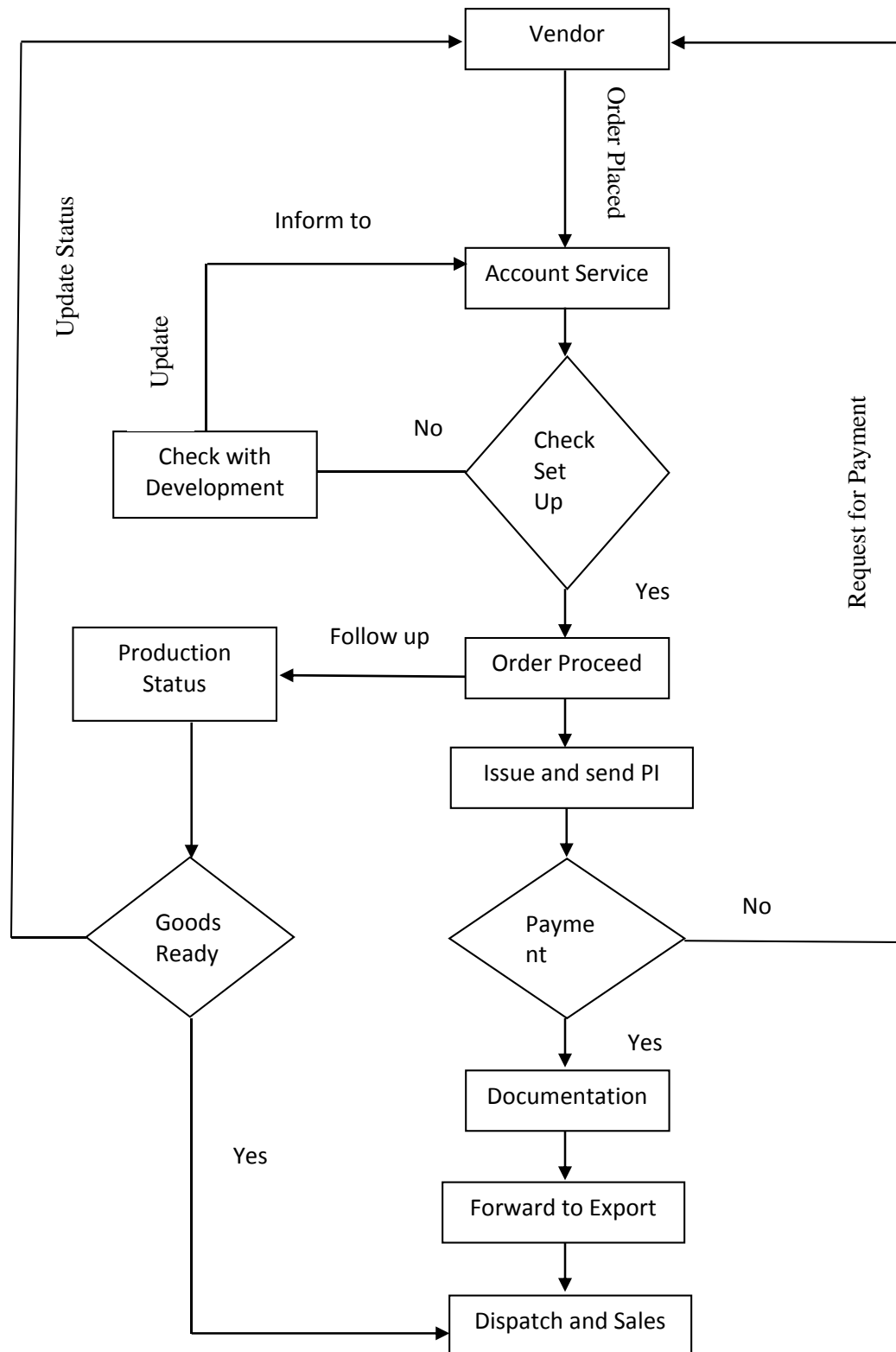
- To handle the customer query.
- To know about the product status
- To record any changes with regard to the product
- To maintain and update the customer file.
- To record the complaints and make known to the concerned person about it.
- To dispatch the order in time.

(D) Follow up documentation

Customer service Officer asked customer to open a letter of credit. They also inform the customers about the L/C terms and conditions. Then Customer open letter of credit on the basis of proforma invoices and sends a copy of credit letter to commercial department of Avery Dennison. Commercial department arise commercial invoice and send it to dispatch. And other documents that are needed to dispatch goods are:

- ✓ Bank permission
- ✓ BEPZA permission
- ✓ Shipping Document etc.

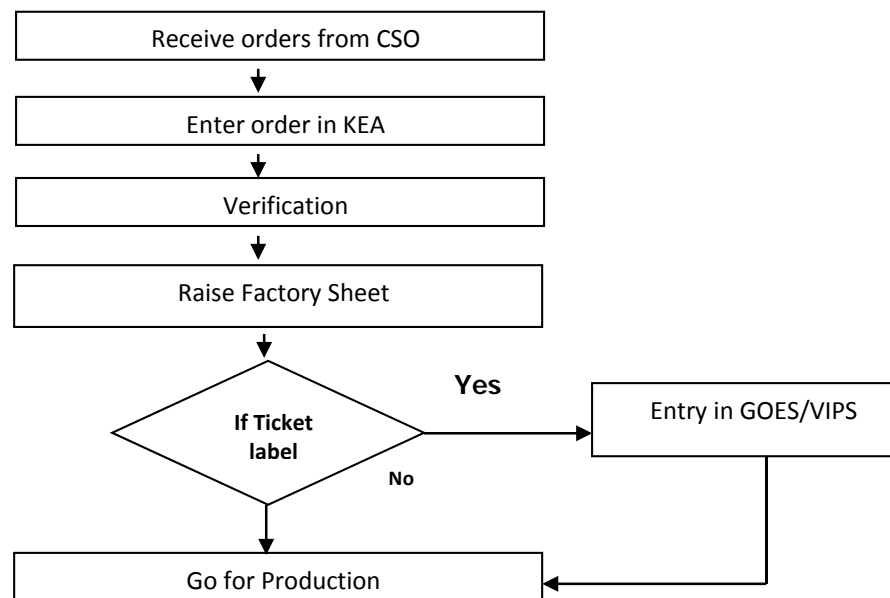
(E) Work flow performed by Account Service Department



Flow Chart of Account Service Department

2. Order Entry Group (OE)

After raising a Factory Sheet in KEA system by Account Service Officer the Order entry officer keeps record in the order logbook for this specific order, and sending back the documents to the Account Service Officer. The factory sheet and other documents are also sent to the MAC room for processing of the production. The following flowchart gives better idea about Order Entry Operators deals with a new order:



Flowchart of the Order Entry Process

(A) Order Input

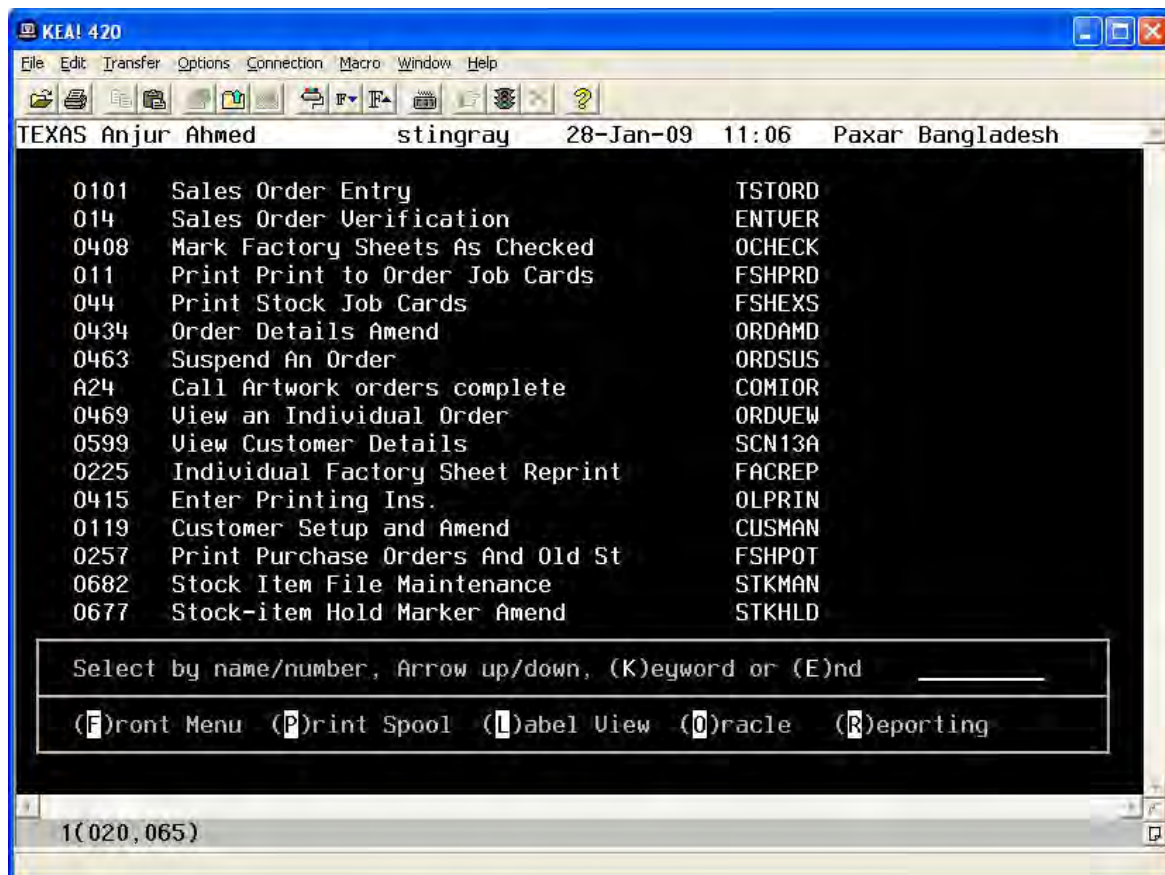
The Order Input team is responsible for entering the Purchase Orders into the KEA System and raising a Factory Sheet. Once the Order Entry Officer gets the P/O, she/he will check the P/O for the following-

- Availability of the P/O number.
- Clarification of the printed details.
- Label ref. numbers and relevant supporting details that are tagged with those.

(B) Order Entry for Different Products

When Order Entry Officer enters data in KEA system to generate a factory sheet then s/he strictly maintains two types of information-

- General information, which is essential for all products.
- Special information, which is needed only for a specific product.



KEA! 420 User Interface

Account Development Department

The main work of GPD is to develop the product globally, fix the pricing, raw material ordering. The function of Account Development starts when any new product needs to be newly developed or modified. Description of the process flow of Global Product development are shown below-

(A) Request for price Quotation & Sample development

Development team receive sample development request either from counterpart or from customer. But most of the time we receive request from our counterpart. Counterpart sends us request of an item for price quotation and also request to develop this item.

(B) Checking feasibility of local production/item

After receiving request for price quotation, at first they check feasibility of this item in to our local production. If they can produce this item in our local system then they confirm counterpart or customer that this item can be produced in our facility.

(C) Costing and submit price

They determine the correct material that should be used in production in future and asks for price to supply chain. As soon supply chain confirms us the price as they do costing based on the required item and submit the cost to concern sales department to quote price. But in case of emergency, they often quote prices to counterpart at maximum CM level that has been fixed within the region.

(D) Checking direct production possibility

After the price is approved then they check if this item can be produced directly without doing sampling. For this they check with production and also with counterpart.

(E) Checking material and tooling availability

For sample development, according to label's quality global product development team has to check the material availability that is used while quoting the price to customer. And also GPD checks if some

(F) Ordering sample material

After price is approved by counterpart or customer then if the material is not available in stock then we raise sample request to supply chain department through sample PR.

(G) Send sample to counterpart or to customer

After the sampling is completed, samples are sent to counterpart or directly to customer for their approval based on developed sample.

(H) Internal approval for some RBO

For few RBO's, they do not need to send sample for approval instead they internally gives approval and proceed for the production.

(I) Prepare design card setup

After having all the approvals regarding price and sample, GPD setup this into system for production and circulate production file for every concern's record.

Retailers & Brand Owners (RBO)

The main work of RBO is to communicate with retailer and collect information about new product or new order to GPD and Sales. Product approval and order placement process by RBO are focused on retailer designs and the garments style. Any order received from retail and brand owners are basically depends on below criteria-

- Manufacturer through Agent.
- Manufacturer through Local Office.
- Accessories Supplier through VIPS (direct Online Order Processing).

(A) Manufacturer through Agent

There are different manufacturers in different countries. Like manufacturer of UK, Germany, Turkey etc. Retailer places the orders to the manufacturer through the agents by either offering them commission or percentage of profit. Agents compare the cost offered by different manufacturers of different countries. Then they place the order to the manufacturer who provides the product at a lowest price.

(B) Manufacturer through Local Office

In this way the manufacturers get the order from the local office of the retailer. The retailer needs to submit the name and contact address of the approved accessories provider to the manufacturer, so that the manufacturer can generate the costing by negotiating with the accessories provider. AVERY DENNISON is one of the accessories providers. Therefore, the retailer needs to give approval to the accessories provider at first. The retailer contacts with the accessories supplier of the country of the retailer. Then the suppliers of that particular country develop the products. Then the retailer negotiate then price with the suppliers and give approval to one of the suppliers among the others. This approval can be done in various ways. For example, the retailer can approve AVERY DENNISON, UK and give allowance to manufacture it from any hub of AVERY DENNISON. Then AVERY DENNISON, UK may contact with AVERY DENNISON, BD if the location of AVERY DENNISON, BD is nearer to the location of the local manufacturer. After that AVERY DENNISON, BD needs to take the approval of AVERY DENNISON, UK by providing them counter sample. Otherwise, if AVERY DENNISON, UK has the confidence on AVERY DENNISON, BD that BD can manufacture then they may only ask for the production sample after giving the order of production. Moreover, the retailer may ask samples from all hubs of AVERY DENNISON. And thereby can give order to any hub of AVERY DENNISON after comparing all the samples. It is the job of the manufacturer to place the order to the accessories provider on the basis of the given contact address by the retailer. Then Avery Dennison, BD (for example) generates the PI either to manufacturer or retailer.

(C) Supplier through VIPS

On the other hand, if the variable information of the product is huge then the retailer wants to place the order directly to the accessories supplier rather than to the manufacturer. The retailers can enter order through VIPS directly. But in this case the retailer needs to approve the sample at first and then negotiate the pricing. After that they place orders via VIPS.

Factory Sales

Functions and Responsibilities of Factory Sales team is not only taking the order but also to ensure order intake must convert to finished goods and sales are performed by Account service department. Factory sales team directly visits various factories that are directly or indirectly manufacture different brand's order. However, based on our approval status factory sales team approach to this manufacturer for taking order. Functions and responsibilities of factory sales team are as follows-

- Increasing sales from existing customers and adding new customers to the base.
- Liaising with Account Service, Marketing, & Production departments, to ensure that the customer gets the orders & samples timely & accurately.
- Visiting the existing and prospective new clients and promoting products and services of Avery Dennison.
- Communicating with customers and solving their all kinds of sales related problems.
- Updating customers' order status by providing updated Customer Order Analysis Report. Getting customer feedback regarding order related issues, such as quality or any other problems.
- Getting future projections and details of new developments from customers and taking action about those.
- Collecting competitor information, industry trends, or any marketing intelligence information from the customers.
- Any type of feedback or information collected should be reported back to the company at the weekly sales meeting, through a sales brief.
- Taking initial action about new customer.

Sales and growth since 2004

Here, the trend of the sales growth is showing and percentage which we could achieve in the future.

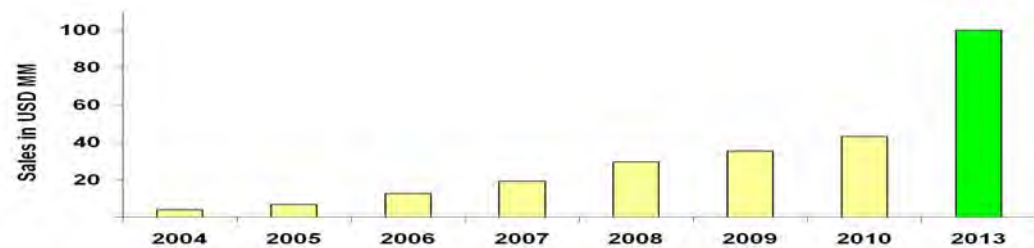


Fig. 11: Avery Dennison sales in Value

The picture is showing the sales trend. Here sales is increasing very fast from 2004 – 2010. But the forecast sale of 2013 is more than double compare to 2010. We can see the actual sales in the 2010 are almost \$45million. Here another thing is showing that the market is growing market and still has the opportunity to more than now it's increasing.

	Y-O-Y Growth							year
Year	2004	2005	2006	2007	2008	2009	2010	2013
Sales Growth	471%	70%	87%	51%	54%	19%	23%	32%

Fig. 12: Avery Dennison sales growth in percentage

The market is growing day by day and some time the growth rate become 471% in the year of 2004. Also year 2005- 2008 the growth rate average is 66% which is exceptionally good in the competitive market. If we see the year 2009- 2010 the growth rate becomes very slow this not only as the competition increase but also the recession has take place in the world economy. Avery Bangladesh is still look Bangladesh is the market where the recession effect very slowly rather than other top rated export country.

Organization-wise activities

Here I have tried to describe other major part of the organization which has the major impact on the manufacturer industries.

Supply Chain Department

Under supply chain there are three Divisions which combined functions facilitate from procurement to storehouse. Main three divisions are-

1. Export and Import
2. Procurement & Store
3. Demand Planning.

Export and Import

(A) Export

Export team They are operate the export procedure from City office they prepare Commercial Invoice(CI) to follow the Performa invoice(PI) send it to Customer for received goods.

Local Export Procedure:

- Receive L/C or S/C.
- Check & Amendment (If need) L/C or S/C.
- Prepare delivery challan (DC) by dispatch.
- Put Price information in CI by credit control department
- Prepare Shipping Documents.
- Send bill of exchange, DC/TR for Attested by buyer.
- Prepare EP document and certify Exp form by bank.
- Collect EP from BEPZA.
- Delivery EP to buyer selected C&F agents.
- Receive bill of exchange, Delivery Challan/Truck receipt, which Attested by buyer.
- Receive payment by DD or TT, if export by sales contract.
- Prepare consumption & deliver to C&F agents.
- Custom assessment & deduct material from bond register as per consumption by C&F agents.
- Receive DC with bank endorsement and Custom assessment seal & signature, Consumption with Custom assessment seal & signature, Copy of Bill of Entry, IC (If needed).
- Give goods clearance certificate to C&F agent.
- Deliver goods to C&F agents by dispatch as per clearance certificate.
- Prepare bank negotiation documents.
- Submit documents to bank for payment.
- Hand over file to credit control department.
- Collect payment as per payment method.

Foreign Export Procedure:

- Provide PI to buyer by CSR.
- Receive L/C from buyer.
- Prepare delivery challan by dispatch.
- Put Price information in CI by credit control department.

- Prepare Shipping Documents.
- Prepare EP document and certify Exp by bank.
- Collect EP from BEPZA.
- Confirm booking with the forwarder.
- Deliver all shipping Documents and consumption to C&F agent for custom procedure.
- Custom assessment & deduct material from bond register as per consumption by C&F agents.
- Confirm booking cover van/truck or mover with C&F agent or cargo services.
- If need ask forwarder to provide container in factory area
- Deliver goods to C&F agents and they deliver the goods to forwarder warehouse.
- Collect B/L or AWB from Forwarder.
- Collect CO from Export Promotion Burro (EPB) or Dhaka Metropolitan Chamber of Commerce & Industries (DMCCI).
- Prepare bank negotiation documents.
- Submit documents to bank for payment collection.
- Provide flight details or vessel schedule to buyer by mail.

(B) Imports

Import team basically function activities related to procurement department. All importing formalities are maintained and monitored by this division.

Import Procedure:

- Receive PO and Collect PI from supplier.
- Prior permission from BEPZA (only for capital machinery & construction equipment)
- Open insurance for goods as per PI (if needed).
- Open L/C as per PI.
- Collect IP from BEPZA.
- Receive Original-shipping documents, B/L or AWB, IC (if needed) from supplier.
- Hand over documents to company selected C&F agent to clear the goods.
- Receive goods from C&F agents and ensure entry in bond register.
- Hand over goods to store or consignee department.

- Documents put in a file & keep it in record room.

(C) Other activities performed by EXIM

To operate business inside BEPZA, every company has to follow the below rules & regulation,

- Export/import payment method must be happens in foreign currency.
- Legality of the company.
- Legality of the product.
- Code of Business Ethics of the company.
- Whether the product is under duty free or not.
- Company must have a bond license under bonded warehouse.
- Necessary Documents to get EP from BEPZA:
- Prescribed forwarding for export permission
- Undertaking for export permit
- Commercial Invoice.
- Packing list.
- Copy of sales contract or Letter of credit (L/C)
- Copy of Exp form, which attested by the bank.

Procurement& Store

The duration of receiving raw material by air is 7-10 days. But in case of available supply it is possible to manage the raw material by this time. However, if the supplier of the raw material doesn't have the stock of the raw material then it will take more time to manage the raw material. Usually it takes 14 days or 2 weeks. We should always keep in mind the current status and lead-time. We can collect the raw material from Hong Kong, USA, UK and Thailand.

Below information needed for making Purchasing Decision

1. Price of the product to be purchased
2. Quality of goods
3. Lead Time

Planning Department

There are basically two functional activities performed under planning department-

(A) Material Planning

(B) Production Planning

(A) Material Planning

Material planning department allocate material for items or references for which they have received projection from RBO sales. Their function is much mapped. Once projection received and procurement department order for raw material, material planner instantly update item wise or references wise material. These activities help to minimize material shortage and organized planning procedures.

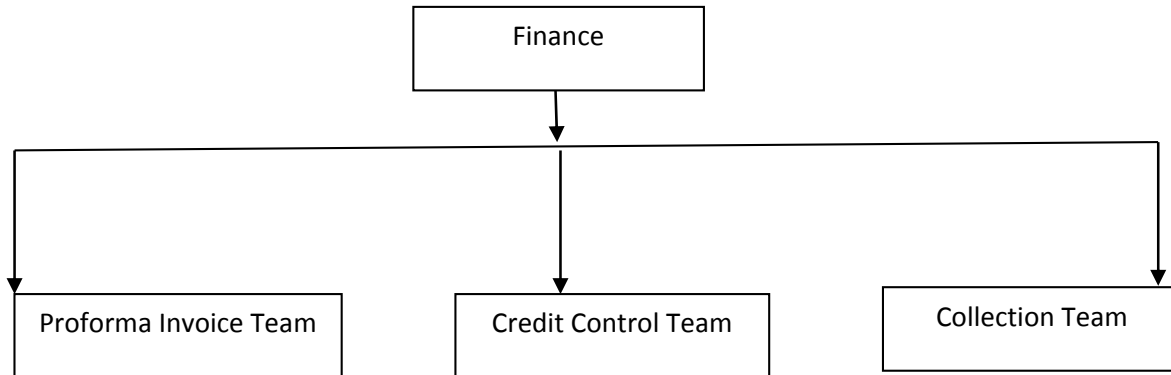
(B) Production Planning

Production Planning Process involves-

- Receiving factory sheet
- Setting schedule as per machine, cutter, and cylinder etc.
- Maintaining lead-time for production.
- Maintaining planning board as per schedule.
- Logging in the register.
- Entry in KEA system.
- Daily entry according production capacity.

Accounting & Finance department

Basically the function of finance department are segregated in three broad part as below-



Collection Team

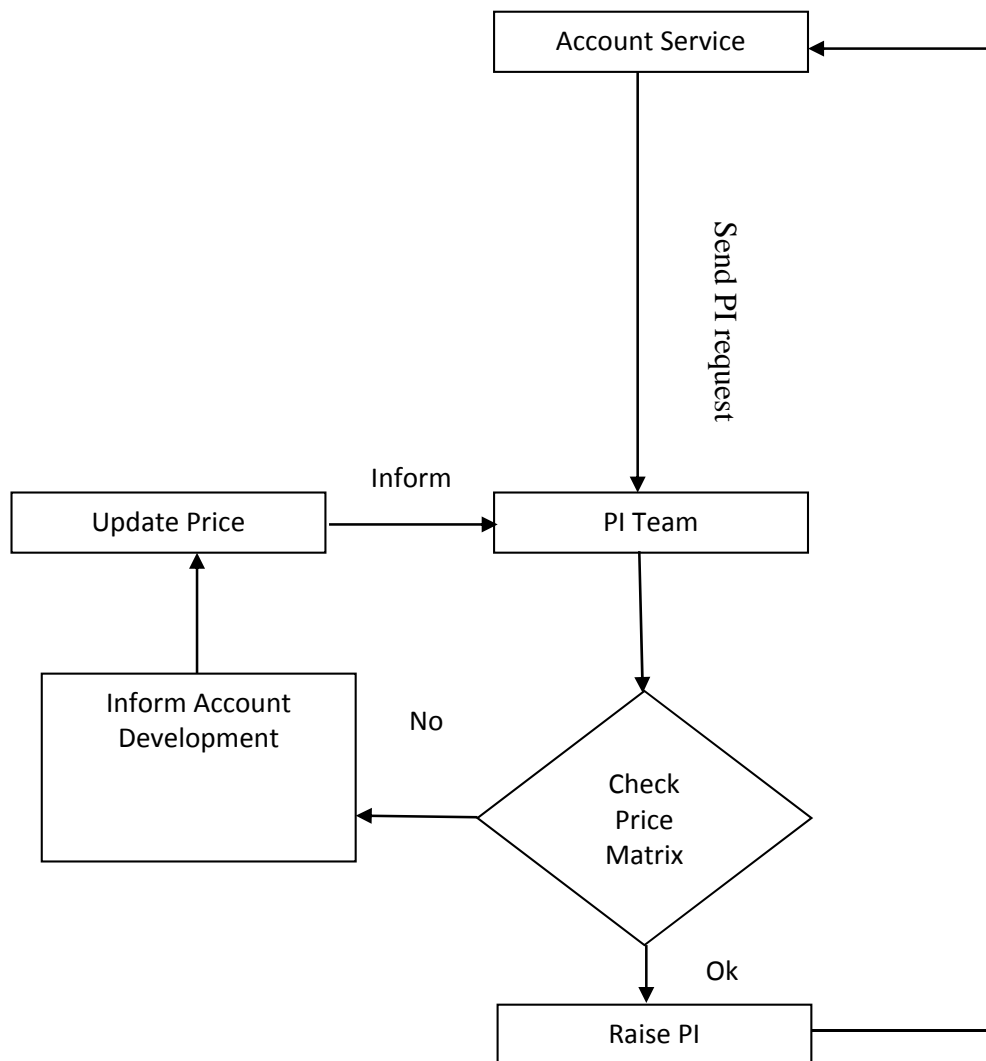
Collection refers to continuous follow up with the vendors for long due of payment. As there are several mode of payment (e.g. LC, FDD, Sales Contract) therefore, it is needed to continuously follow up even sometimes visit to vendors for payment. For Exp-Sales Contract is a kind of credit facilities provided to vendor who are unable to provide payment during production period. For greater customer service and satisfaction Avery Dennison provide some listed customer credit facilities only by signing a Sales Contract, where terms and conditions are applied. If vendors provide a sales contract of 40 days means, vendor needs to confirm payment within 40 days after signing the sales contract. In many cases vendor fail to confirm payment and here the function of collection team commence.

This process starts with a gentle reminder by Account service department following a standard format of email which is known as factory service excellence. Here, account service department gently remind the vendor for due payment up to 4 weeks. Hence, payment not received then sales team contact with concern vendor for payment confirmation with the help of collection team. After that collection team continuously follow up the vendor for due payment until received. In many cases if collection failed and vendor deny payment confirmation then collection team

circulate a warning message regarding that particular vendor to hold delivery or production of current order or carefully to deal future orders.

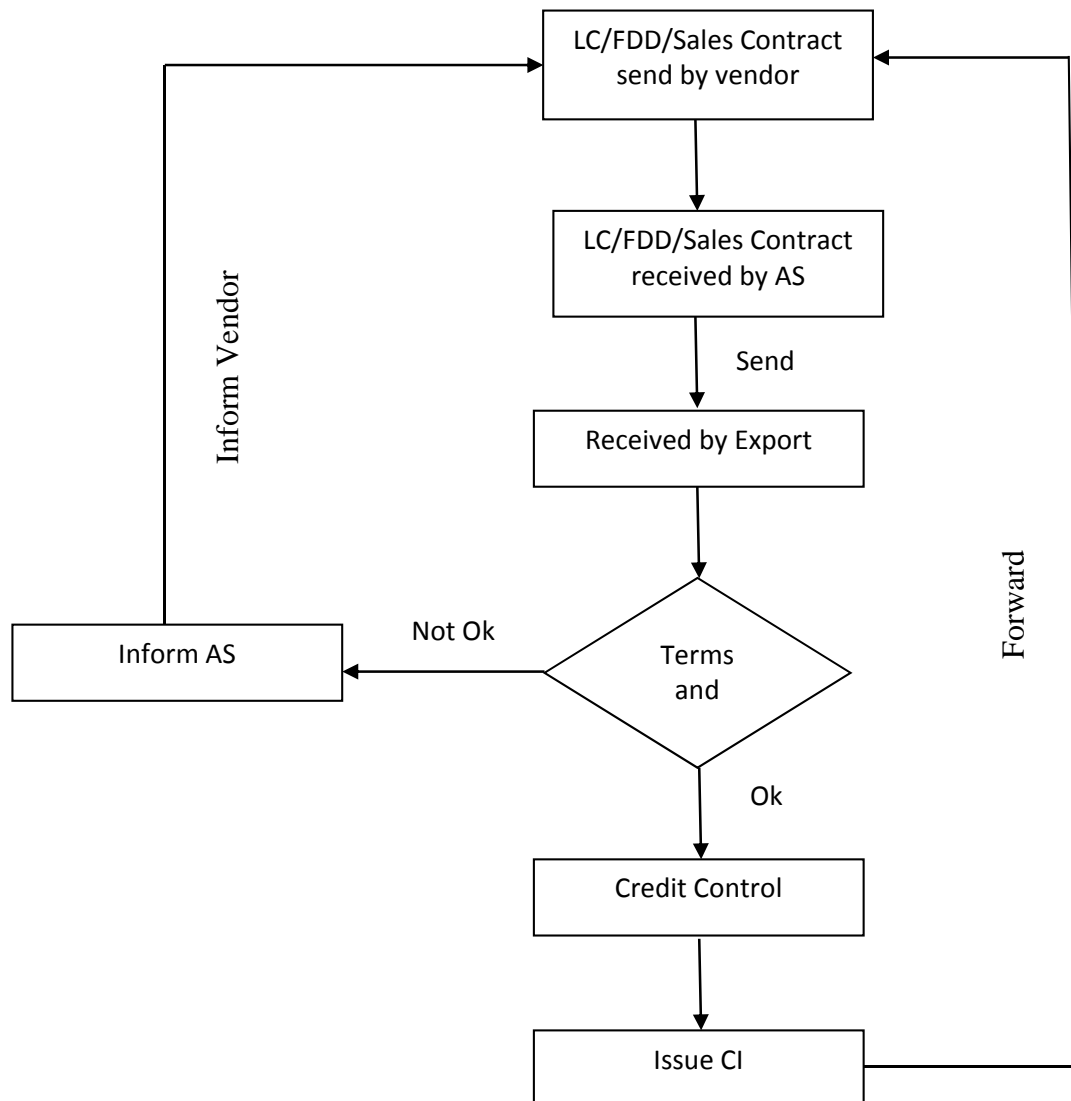
Proforma Invoice Team

The function of PI team is to generate PI and work with price matrix update. This team directly works with marketing department (Account service, Account Development and Sales). However the workflow of PI team has shown in below flow chart-



Credit Control Team

Credit control teams basically perform most of the financial task. Starting from issuing Commercial Invoice to setting up credit guideline. However, credit control team directly works with Export team in terms of issuing any documents. In many cases where different vendors request for different credit terms then credit control team is only authorized to facilitate this. Obviously before providing any credit facilities credit control department investigate vendor's previous transaction history. However, in below flow chart regular activities of credit control team is demonstrated-



Accounting Department

Basically the task of accounting department is segregated in two different wings-

1. Audit Department
2. Inventory management

However, due to confidentiality it was not possible to espouse activities of these two departments. But it is clearly understood that any organization could not operate its business activities without having effective account department.

Production Department

As earlier mentioned that there are seven different product line in RBIS sector and their activities will be slightly demonstrated in this chapter.

Litho Printing Section

Avery Dennison Bangladesh processes printed tickets and tags in this printing section, which is also called offset printing. Different types of boards, art papers, and offset papers are used for printing tickets and tags.



Litho Printing Section

However, the process that is involved in printing in Litho machines is as follows:

- Factory sheet printing
- FS received in planning room.
- Designing artwork in the MAC room.
- Positive film making.
- Proof reading.
- Plate making.
 1. Board measurement.
 2. Sending to cutting machine for required board size.
- Impression.
- Sending for production in Litho printing press.
- Proof reading done again in Litho printing process (The proof reading is done for color, product, size, stock, quality).
- Varnishing of the product takes place (Matt or Gloss).

Afterwards the product goes for its various processes such as cutting, die cutting, creasing, perforation, cross-slits, etc. according to the customer requirements.

Limitations:

- For the labels of particular designs boards have to be cut in different sizes.
- Ink needs to be used carefully because if it mixes with water it can be daubed.
- As it uses two types of color named basic colors (For tone area) and Process color.
- (For solid area), there may create a major problem in mixer of color for dot percentage.

Flexo Printing Section



Flexo Printing Section

The main products printed in this section are stickers and T/T tickets. A broad of 250mm sticker paper or board is used to print on this machine.

However, the process that is involved in printing in Flexo machines is as follows:

- Receiving factory sheet.
- Starting production as per planning schedule which depends on cutter size.
- Matching color & varnish - mat or gloss.
- Proof reading & color approval from QC.
- Receiving quality material with width or length, cyril plate and setting it to the Flexo machine.
- Die cutting & waste pilling off.

Limitations:

- Less economical for smaller quantities because, to set up the machine there is a considerable wastage. (50 – 100m wastage)
- Making changes takes time.

Rotary Printing Section



Rotary Printing Section

The process of rotary printing that is involved in producing labels is as follows:

- Receiving Factory sheet.
- Following Planning department schedule.
- Receiving Cyril plate from plate room.
- The Cyril plate is put into the Rotary machine and prints on the materials.
- Labels are sent to Cutting & Folding Section.

Only Fabric Labels are printed in Rotary Printing Section and two main technologies used in these sections are:

- Wet ink technology &
- Hot stamp technology.

Thermal Printing Section



Thermal Printing Section

Avery Dennison Bangladesh uses this printing technology only for semi-finished goods. Initially the collared part of a label that has a bar code is printed in flexography and bar codes are printed using thermal technology. This bar code printing part is called SATO. Sato is mainly used for self-adhesive bar coded labels.

Limitations:

- Data are transferred from a global server and Avery Dennison downloads these data using software.
- Maximum width limit is 200mm.
- Two printers print one color and barcodes only.
- Semi-finished goods are printed here.

Woven Printing Section

Woven department produces woven labels. Only yarns are the raw materials, which are used to produce woven Labels. Yarn is used to weave as Warp ends (horizontal yarn) and Weft ends (vertical yarn). The work has to be done with a lot of patience and concentration. If



Woven Printing Section

Something goes wrong a massive loss will occur and as a result Avery Dennison will lose its customers.

Limitations:

- It has the capacity to produce 200 mm only.
- Maximum color limit is eight colors.

Other Activities

(A) Store

In Avery Dennison Bangladesh the main responsibility of stores personnel is, keeping records of incoming goods and issued controls. They are also responsible to monitor, stock levels and goods consumption patterns in different seasons of the year and should advise purchasing department to re-order. When goods arrive at the stores, the following procedures will take place –

- Quantity checks – The delivered quantity will be checked against the ordered quantity of the Purchase Order (P/O).
- Quality check/Physical check – The Quality Department will check for quality of the goods, whether the goods comply with specifications, shipping damages, manufacturing defects, etc.
- System entry – Once the goods are checked and approved, it would be taken into stores, by raising a Goods Received Note (GRN), and also by entering in the KEA system and stock cards. Subsequently the GRN will be sent to Finance Department for payment.
- Sub Standard Goods – If the goods are not up to the required standard, it will be returned to the supplier, using a Goods Return Note.
- If any quality issues crop up later, the Goods will be kept in the quarantine area for inspection.
- The stores hold Raw material and Semi-Finished goods.

Raw material:

Different types of raw materials are used to produce goods at four-production department are Board, Paper, Fabric, Yarn, ink, rolls, Sticker, Film, Chemicals, Plates are some of the raw material held in the stores.

Semi-Finished goods:

Some goods are produce advance by projection but not complete these as finish goods. 70% or more than that are completed and when order are placed it would be completed. Litho or Flexo Department usually produces this type of goods as T/T tickets, Half-printed Litho boards, Flexo reels that are cut, Leather patch etc.

The raw material and semi-finished goods are kept in different stores and different departments. Most of the above goods are labeled and kept according to the retailers that use the products.

This key department bears a high degree of responsibility, as they have to make sure that the goods have been delivered to the respected department in the right time.

(B) Dispatch

- Prepare Delivery Challan
- Receive Document from Shipping & logistics Department.
- Prepare delivery challan.
- Send document to credit control department.

Dispatch people receive the goods from production department by compare with factory sheet and after make ready for dispatched. If the orders are to be delivered later or withheld, then the cartons will be stored on the “awaiting delivery” or “Hold” racks, until instructed by any authorized personnel. Dispatch department deliver the goods after getting the clearance certificate from Export / Import department. Document that are needed to dispatch an order are:

- Delivery challan with customer seal & signature.
- Delivery challan with customs assessment.
- Delivery challan with Bank endorsement.
- Truck Receipt.
- Bill of exchange with customer seal & signature.
- Consumption statement with customs assessment.

(C) Quality Control Department

The Quality Control Department is responsible for implementing the quality policy, and overall quality assurance of activities. This includes, ensuring the total requirement of the quality system being adhered to monitoring, reviewing, auditing, analyzing and effecting amendments, as required.

Quality Control Procedures are-

- Receiving factory sheet.
- Reading & understanding the factory sheet.
- Collecting information & layout.
- Proof reading as per factory sheet.
- Random quality & quantity checking.
- Durability checking (Wash & Rub test).

- Inspection of raw material.

There are several types of customer complain that QC team received. Those are-

- Shortages, between the ordered quantity and the delivered quantity.
- Printing errors, ink dots, smudges, alignment errors, material problems such as length, width, color, text etc. Other errors like errors from order input stage, Account Service s errors, errors from other departments, etc.

CONSTRAINTS/CHALLENGES AND PROPOSED COURSE OF ACTION FOR IMPROVEMENT

Identified/ Observed in the organization

The fashion industries are dynamic and changes very fast and to go with the same step it's very difficult as you do not know what order you will get tomorrow because it's related with the technology. So there is not enough time for the customer to wait. Customer place order and want delivery within shortage period of specific time and some major findings are given bellow-

- Finding an alternative material due to material shortage of a label.
- To keep the target price which is provided by vendor or counterpart to win businesses
- High employee turnover rate which causes challenge in dealing with customers without prior experience.
- Identifying technical problems due to lack of technical knowledge.
- Higher lead time to get the sampling material in house.
- Insufficient work force for Marketing & Sales team where only 25 members team has to manage more than 1200 customers.
- Lack of understanding between customer service department and global product development and also with sales department.
- Very difficult to balance work load between team members as the accounts or RBOs that is maintained by the each members, working process is quite different.
- To complete the whole sampling or development process done within the lead time of 4-5 working days.
- Higher cost of raw material as organization is importing all the materials from outside Bangladesh.
- The factory is situated in EPZ. That's why the company needs to follow many rules and maintain so many documentations. The competitors of the company outside BEPZA take advantages of it.

LESSONS LEARNED FROM THE INTERNSHIP PROGRAM

Implications to Organizations

In this period of time I tried to describe the whole process of Avery Dennison in details which is the major part of the manufacturing industries. The key area which has been describe such as product development, sales, supply chain, procurement, customer service management, quality control, commercial, company laws, store & dispatch. Though I worked for Factory sales team but get the chance to work closely work with the organizational process of other department.

Through this internship affiliation report I got a chance to have a very closely observe about all the Marketing activities of ADBD. Followings are my understanding from this internship program-

First of all, I have learned about the organizational behavior & corporate culture, i.e. how individuals and groups act in the organization, what are the people-organization relationships in terms of the whole person, whole group, whole organization etc

Secondly, I have learned about the team work very closely. Team feeling is very high in this organization.

Thirdly, give priority to customer and provide a greater service when they have urgency. That make customer more loyal toward the company or product.

Fourthly, I have gathered experience on launching new technology & software, from where customer can see their goods production status. The services which make customer satisfied and building-up strong relationship with company.

Besides learning from organization and the university I have learned some other things which are very essential for me.

1. Increased trust, confidence and professionalism.
2. Improved subject area and discipline knowledge.
3. Increasing sophistication.
4. Developing skills and competencies.

Implications to University's Internship Program

Though it was a short period of time but maximum information has been gathered on the particular topic. Through this affiliation report the future students of BRAC can come to know about this big organization which is operating business all over the world and also among one of the fortune 500 company who is the market leader in global branding and information solution and the pioneer in producing pressure sensitive material. Also have the idea about the finding which they may learn and take necessary step in the MNC.

Beside that through this report, the reader can get an idea of the garment accessories business if he/she is interested to begin his/her career in this field. Local marketers can be benefitted to know how a multinational company runs their business in Bangladesh with a structured way through maintaining Govt. rules & regulation.

CONCLUDING STATEMENTS

Summary

Avery Dennison Bangladesh Ltd. is a growing company expanding to increase the production capacity more. The productivity of Bangladesh's garment industry is lower, but it has some competencies like cheap labor cost. The garments industry here has huge potential. Avery Dennison Bangladesh is utilizing this competency of Bangladesh garments industry.

Teamwork, working environment, and equality are emphasized highly in this organization, being compared with other multinational organizations in Bangladesh. And in Avery Dennison everybody is treated as equal irrespective of his or her job responsibilities and designation. Thus, Avery Dennison Bangladesh Ltd. is providing the best possible work environment and opportunities for personal and professional growth and moving toward a better position.

Recommendations for Future Strategic Actions

- Increasing more improved latest machines and machinery to improve the production capacity of the factory.
- There should not be any conflict in the internal department.
- Task should be equally distributed among team members.
- Good performer should be highlighted in the basis of performance.
- Each department should follow their own responsibilities.
- Each department should respect other department's individual.
- The company should increase the number of executives and distribute some authority to the mid-level employees.
- To maintain the technological support strongly, more efficient IT experts should be hired.
- Group leader should be selected based on merit, talent and efficiency.
- There should be more structured training for new comers.

SUGGESTIONS FOR IMPROVEMENT

(A) Serve as Competitor: Best Quality Product with Best Service and Accurate Price

Being a global organization Avery Dennison set their price by following global pricing strategy. So for country like Bangladesh it seems so high price, which become very challenging for B2B business. Here competitors enter into market with high technology at a lower price by which customers at business level get attracted towards those competitors. And those competitors are getting the market gradually which we think Avery Dennison should worry about.

To lead in this business sector they could set their price by segmenting countries like; for Asia Pacific they could set a different pricing strategy and for Europe they could set a different pricing strategy, as most countries in Asia Pacific region are not rich enough to bear the high price than comparing to countries in Europe. To hold their market share in they could also make a good impression and promote them in B2B level which will give them some loyal customers. As in B2B level every other organization is going for “Rebate”, so we think they could also propose “Rebate” to increase their sales and grab the market.

(B) Competitive Team to develop Competitive Performance

Since Avery Dennison is doing their business in B2B level, common people have very poor knowledge about this organization and thus they cannot get skilled people to work for them. As they are not getting the finest candidate from the market they could make a team of bests from different department, who can train the new comers in the job and make them best for the organization, by this they can maintain their performance level.

(C) Find the Best

Avery Dennison is not allowed to make advertisement in public this may be another cause of not getting the most excellent candidate from the market. They could conduct job fair in different renowned private universities to let those bests know about their work and organization, by this students will come to know the organization and feel interest to work with the organization thus organization will find the excellent one from them.

(D) Motivate to increase Sustainability: Leaders presence

The employee turnover rate is high in Avery Dennison. It is very true that all employees cannot keep their motivation for long time, after a certain moment they lose their motivation and try to switch their job, through this organization will lose their best employees and that would be difficult to maintain performance level. If top level boss could come and visit this branch and give motivation to employees that would work best as so far they didn't come to visit here and inspect performance in person.

REFERENCES

- <http://www.averydennison.com/en/home/our-company/the-big-picture.html>
- <http://news.averydennison.com/blog>
- <http://rbis.averydennison.com/en/home.html>
- <http://rbis.averydennison.com/en/home/elevate-brands.html>
- <http://rbis.averydennison.com/en/home/products.html>
- <http://www.averydennison.com/en/home/industries.html>
- <http://www.averydennison.com/en/home/industries/apparel.html>
- <http://www.averydennison.com/en/home/our-company.html>
- Company Annual Report
- Different Cross-functional departments' reports